



COLLEGE

Introduction

A college is an educational institution or part of it. A college can be a graduate institution, be part of a corporation or university organization, a vocational institution, or a high school. globally, a college can be a high school or high school, a college of further education, a training centre that awards a business degree, a tertiary provider without a university status (usually without a degree), or a part of a university. The increasing number of higher education enrollments is one of the strongest factors in the acceptance of higher education tools and services in the regions. Factors such as the growing international student movement and government initiatives and funding are expected to create ample opportunities for higher education vendors. With the advent of globalization and the increasing number of students going to different countries for educational purposes, it is expected to create great opportunities for higher education providers. India holds a leading position in global education. India is also one of the largest networks of higher education institutions in the world. However, there is still a lot of potential for further development in the education system.

Market Potential

India has the largest population in the world in the age group of 5-24 with 500 million, which provides an excellent opportunity for the education sector. The education sector in India is estimated at US \$ 91.7 billion in fiscal year and is expected to reach US \$ 101.1 billion in fiscal year. The number of colleges in India has reached 39,931. The number of universities in India reached 967 in FY21 (as of December 2020). 37.4 million students are enrolled in higher education in the Indian financial year. The overall enrollment rate in higher education reached 26.3% in the financial year. In 2020-21, there were a total of 9,700 AICTE accredited companies. In total, there were 4,100 undergraduate, 4,951 postgraduate and 4,514 diploma courses in AICTE accredited institutions.. The sector is expected to reach \$ 1.96 billion by 2021 with approximately 9.5 million users. In India, the online education market is projected to reach \$ 11.6 billion by 2026.

Cost of Project

Particulars	Amount (Rs. In Lakhs)
Owned Land (75,000sq. ft.)	
Civil works and Buildings	1,364.88
Misc. Fixed Assets	410.35
DG Set	5.00
Water motor	5.00
Escalation & Contingencies	89.26
Preliminary & Preoperative Expenses	339.38
Sub-total (A)	2,213.87
Working Capital Margin @40% of Total WC Requirement	2.00
Total Project Cost	2,215.87
Total Working Capital Required (B)	5.00
MEANS OF FINANCE	
Total Funds Required(A+B)	2,218.87
Loan Component-	-
Term Loan (60% of A)	1,328.32
Working Capital (60% of B)	3.00
Total	1,331.32
Equity	887.55
Total	2,218.87

Detailed Cost Element

Civil works and Buildings

SI No.	Particulars	Sq. ft. per	No. of rooms	Amount (Rs. In Lakhs)
1	B.com College Classroom(60 students)	600	15	108.00
2	Arts College Classroom(60 students)	600	15	108.00
3	Science college classroom(60 students)	600	15	108.00
4	Library	5000	1	60.00
5	Laboratory	1200	6	86.40
6	Extra-Curricular Room	2000	2	48.00
7	Assembly Hall	10000	1	120.00
8	Server Room	500	2	12.00
9	Seminar Hall	1500	3	54.00
10	Books and Stationery Centre	2000	1	24.00
11	Canteen	3000	2	72.00
12	Washroom	800	10	96.00
13	Meeting room	5000	1	60.00
14	Admin Block	5000	1	60.00
15	Playground	10000	1	10.00
16	Parking lot	5000	1	60.00
18	Entry and exit gate	L.S		1.00
19	Boundary wall(L.S)	L.S		50.00
20	Free area(20% of cost)	L.S		227.48
	Total			1,364.88

Miscellaneous Fixed Assets

SI No.	Particulars	Per unit cost	No. of units	Amount (Rs. In Lakhs)
1	Wooden Tables	2000	3000	60.00
2	Wooden Chairs	1500	3000	45.00
3	Benches	3600	100	3.60
4	Cupboards	15000	75	10.00
5	Furniture for classroom, admin block	L.S		5.00
6	Furniture for lab	L.S		10.00
7	Furniture for library	L.S		5.00
8	Air Conditioner	30000	75	22.50
9	Water Filters	15,000	10	1.50
10	Computers	30,000	150	45.00
11	CCTV	L.S		10.00
12	Electric Appliances (Fan, Tube light, etc.)	L.S		5.00
13	Printer and Scanner	15000	5	0.75
14	Books for library	L.S		10.00
15	Fire Fighting equipment	L.S		5.00
16	Class board	6000	75	4.50
17	Smart classes	150000	45	67.50
18	Lab Equipment	L.S		100.00
	Total			410.35

Contingencies and Escalations

It has been assumed at approximately 5% at cost of project.

Preliminary Expenses

Particulars	Amount (Rs. In Lakhs)
Incorporation Expenses	0.25
Project Report Preparation and Consultation	0.35
Feasibility and Engineer's/Architect's Report and Plans	34.12
Legal Charges - Drafting for agreements, contracts, stamp paper, notary and affidavit cost	0.10
Other recurring expenses up to start of commercial production	60.00
Interest Cost for period before commercial operation	238.76
Total	333.58

Salary

Designation	Manpower	Amount (Rs. In Lakhs)
Principal	1	12.00
Professors	70	420.00
Manager/Dean	3	28.80
Lab assistant	10	24.00
Library In charge	3	9.00
Office Staff/ Administrator etc.	10	36.00
Sweeper	15	21.60
Security Guard	10	21.60

Profitability Statement

Amount (Rs. In Lakhs)					
Particulars	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
<u>A. INCOME</u>					
Fees from Student					
B.com College	432.00	475.20	522.72	574.99	632.49
Arts College	360.00	396.00	435.60	479.16	527.08
Science College	540.00	594.00	653.40	718.74	790.61
Other revenue (canteen, sale	10.00	10.00	10.00	10.00	10.00
Total Income	1,342.00	1,475.20	1,621.72	1,782.89	1,960.18
<u>B. OPERATING EXPENSE</u>					
Salary	561.00	617.10	678.81	746.69	821.36
Expenses on various Programmes, seminars, placements etc.	5.00	6.25	7.81	9.77	12.21
Repair and Maintenance	10.26	10.67	11.10	11.54	12.00
Power	12.00	24.00	24.00	24.00	24.00
Depreciation	300.19	300.19	274.30	248.42	248.42
Total Operating Expenses	888.45	958.21	996.02	1,040.42	1,117.99
Operating Profit (A-B)	453.55	516.99	625.70	742.47	842.19
<u>C.FINANCIAL EXPENSES</u>	-	-	-	-	-
Interest	125.17	115.21	101.72	88.23	73.62
<u>D. Other Expenses</u>	-	-	-	-	-
Administrative and general	40.26	44.26	48.65	53.49	58.81
Total Expenses	165.43	159.46	150.37	141.72	132.43
Profit Before Tax	288.12	357.53	475.33	600.75	709.76
Provision for Tax	72.03	89.38	118.83	150.19	177.44
Profit after Tax (PAT)	216.09	268.15	356.49	450.57	532.32

Dividend Declared	-	-	-	-	-
Retained Profit	216.09	268.15	356.49	450.57	532.32

Breakeven Point

Break Even Point (BEP)		Amount (Rs. In Lakhs)				
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year – 5
A.	Net Sales	1,342.00	1,475.20	1,621.72	1,782.89	1,960.18
B.	Variable Cost					
	Power and Utility	12.00	24.00	24.00	24.00	24.00
	Other Misc. Expenses	40.26	44.26	48.65	53.49	58.81
	Total Variable Cost	52.26	68.26	72.65	77.49	82.81
C.	Contribution (A-B)	1,289.74	1,406.94	1,549.07	1,705.41	1,877.38
D.	Fixed and Semi-Fixed					
	Expenses on various Programmes, seminars, placements etc.	5.00	6.25	7.81	9.77	12.21
	Labour Charges	561.00	617.10	678.81	746.69	821.36
	Repair & Maintenance	10.26	10.67	11.10	11.54	12.00
	Interest on term Loan	125.17	115.21	101.72	88.23	73.62
	Depreciation	300.19	300.19	274.30	248.42	248.42
	Total Fixed Cost	1,001.62	1,049.41	1,073.74	1,104.65	1,167.61
E.	Breakeven Point	78%	75%	69%	65%	62%
F.	Cash BEP	54%	53%	52%	50%	49%

Debt-Service Coverage Ratio

		Amount (Rs. in lakhs)				
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year – 5
i	Profit	216.09	268.15	356.49	450.57	532.32
ii	Depreciation	300.19	300.19	274.30	248.42	248.42
iii	Interest	125.17	115.21	101.72	88.23	73.62
A	Total (i + ii + iii)	641.45	683.54	732.52	787.22	854.37
i	Interest	125.17	115.21	101.72	88.23	73.62
ii	Principal repayment	79.34	158.68	158.68	158.68	158.68
B	Total (i + ii)	204.51	273.89	260.40	246.91	232.30
	DSCR (A / B)	3.14	2.50	2.81	3.19	3.68

Interest on Term Loan and Principal Repayment

Refer Annexure I for Loan Repayment Schedule.

We have assumed the repayment tenure of term loan for a period of 10 years, rate of interest being @8.5% with the moratorium period being 6 months.

Address of Vendors

Name of the vendor	Address and Contact Number
Ayurveda Panchakarma Equipments	Address- Aluva , Emakulam ,Kerela Phone No.-08048553742
Mysoor Art Handicrafts	Address- Sector 62 , Saharanpur Phone No.- 07971335391
RVM Technologies	Address – Pimpri, Pune , Maharashtra Phone No.-07971484515

ANNEXURE- I

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annually
O1													
Principal													
Opening	1,324.84	1,334.23	1,343.68	1,353.20	1,362.78	1,372.44	1,382.16	1,391.95	1,401.81	1,411.74	1,421.74	1,431.81	-
Repaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing	1,334.23	1,343.68	1,353.20	1,362.78	1,372.44	1,382.16	1,391.95	1,401.81	1,411.74	1,421.74	1,431.81	1,441.95	-
Interest	9.38	9.45	9.52	9.59	9.65	9.72	9.79	9.86	9.93	10.00	10.07	10.14	117.10
O2													
Principal													
Opening	1,441.95	1,452.16	1,462.45	1,472.81	1,483.24	1,493.75	1,504.33	1,514.98	1,525.71	1,536.52	1,547.40	1,558.37	-
Repaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing	1,452.16	1,462.45	1,472.81	1,483.24	1,493.75	1,504.33	1,514.98	1,525.71	1,536.52	1,547.40	1,558.37	1,569.40	-
Interest	10.21	10.29	10.36	10.43	10.51	10.58	10.66	10.73	10.81	10.88	10.96	11.04	127.46
Principal													
Opening	1,444.95	1,455.18	1,465.49	1,475.87	1,486.33	1,496.85	1,507.46	1,518.11	1,528.81	1,539.56	1,550.36	1,561.21	-
Repaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing	1,455.18	1,465.49	1,475.87	1,486.33	1,496.85	1,507.46	1,518.11	1,528.81	1,539.56	1,550.36	1,561.21	1,572.11	-
Interest	10.24	10.31	10.38	10.45	10.53	10.60	10.68	10.75	10.83	10.90	10.98	11.06	125.17
II													
Principal													
Opening	1,428.12	1,414.89	1,401.67	1,388.45	1,375.22	1,362.00	1,348.78	1,335.55	1,322.33	1,309.11	1,295.88	1,282.66	-
Repaid	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	-
Closing	1,414.89	1,401.67	1,388.45	1,375.22	1,362.00	1,348.78	1,335.55	1,322.33	1,309.11	1,295.88	1,282.66	1,269.44	-
Interest	10.12	10.02	9.93	9.83	9.74	9.65	9.55	9.46	9.37	9.27	9.18	9.09	115.21
III													
Principal													
Opening	1,269.44	1,256.21	1,242.99	1,229.77	1,216.54	1,203.32	1,190.10	1,176.87	1,163.65	1,150.43	1,137.20	1,123.98	-
Repaid	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	-
Closing	1,256.21	1,242.99	1,229.77	1,216.54	1,203.32	1,190.10	1,176.87	1,163.65	1,150.43	1,137.20	1,123.98	1,110.76	-
Interest	8.99	8.90	8.80	8.71	8.62	8.52	8.43	8.34	8.24	8.15	8.06	7.96	101.72
IV													
Principal													
Opening	1,110.76	1,097.53	1,084.31	1,071.09	1,057.86	1,044.64	1,031.42	1,018.19	1,004.97	991.75	978.52	965.30	-
Repaid	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	-
Closing	1,097.53	1,084.31	1,071.09	1,057.86	1,044.64	1,031.42	1,018.19	1,004.97	991.75	978.52	965.30	952.08	-
Interest	7.87	7.77	7.68	7.59	7.49	7.40	7.31	7.21	7.12	7.02	6.93	6.84	88.23
V													
Principal													
Opening	952.08	938.85	925.63	912.41	899.18	885.96	872.74	859.51	846.29	833.07	819.85	806.62	-
Repaid	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	-
Closing	938.85	925.63	912.41	899.18	885.96	872.74	859.51	846.29	833.07	819.85	806.62	793.40	-
Interest	6.65	6.56	6.46	6.37	6.28	6.18	6.09	5.99	5.90	5.81	5.71	5.62	73.62
VI													
Principal													
Opening	793.40	780.18	766.95	753.73	740.51	727.28	714.06	700.84	687.61	674.39	661.17	647.94	-
Repaid	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	-
Closing	780.18	766.95	753.73	740.51	727.28	714.06	700.84	687.61	674.39	661.17	647.94	634.72	-
Interest	5.62	5.53	5.43	5.34	5.25	5.15	5.06	4.96	4.87	4.78	4.68	4.59	61.26
VII													
Principal													
Opening	634.72	621.50	608.27	595.05	581.83	568.60	555.38	542.16	528.93	515.71	502.49	489.26	-
Repaid	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	-
Closing	621.50	608.27	595.05	581.83	568.60	555.38	542.16	528.93	515.71	502.49	489.26	476.04	-
Interest	4.50	4.40	4.31	4.21	4.12	4.03	3.93	3.84	3.75	3.65	3.56	3.47	47.77
VIII													
Principal													
Opening	476.04	462.82	449.59	436.37	423.15	409.92	396.70	383.48	370.25	357.03	343.81	330.58	-
Repaid	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	-
Closing	462.82	449.59	436.37	423.15	409.92	396.70	383.48	370.25	357.03	343.81	330.58	317.36	-
Interest	3.37	3.28	3.18	3.09	3.00	2.90	2.81	2.72	2.62	2.53	2.44	2.34	34.28
IX													
Principal													
Opening	317.36	304.14	290.91	277.69	264.47	251.24	238.02	224.80	211.57	198.35	185.13	171.90	-
Repaid	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	-
Closing	304.14	290.91	277.69	264.47	251.24	238.02	224.80	211.57	198.35	185.13	171.90	158.68	-
Interest	2.25	2.15	2.06	1.97	1.87	1.78	1.69	1.59	1.50	1.40	1.31	1.22	20.79
X													
Principal													
Opening	158.68	145.46	132.23	119.01	105.79	92.56	79.34	66.12	52.89	39.67	26.45	13.22	-
Repaid	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	13.22	-
Closing	145.46	132.23	119.01	105.79	92.56	79.34	66.12	52.89	39.67	26.45	13.22	0.00	-
Interest	1.12	1.03	0.94	0.84	0.75	0.66	0.56	0.47	0.37	0.28	0.19	0.09	7.31